

**TESTIMONY OF HOWARD S. WEITZMAN
NASSAU COUNTY COMPTROLLER
BEFORE THE NEW YORK CITY COUNCIL
COMMITTEE ON HEALTH**

January 26, 2005

Good afternoon. My name is Howard Weitzman. I am the elected Nassau County Comptroller, and have held that office since January 2002.

I would first like to thank Speaker Miller for inviting me to address you. I was born and raised in NYC, graduating from Brooklyn Tech and Queens College so this is an honor for me to be here today.

I would also like to commend the speaker, Chairperson Christine Quinn, and the other council members who have co-sponsored legislation that would direct the city Health & Mental Hygiene Department to create a prescription discount program for city residents.

I appreciate the opportunity to share with the council the amazing success we have had in Nassau with our innovative prescription drug discount program. As we have demonstrated, such a program can offer much needed relief for those of our residents who cannot afford to pay the unconscionably high prices of today's prescription drugs.

I have often been asked why I, as County Comptroller, launched a public health program of this kind. Fair question.

As Comptroller, I am charged with administering the county's benefits program to its active and retired employees. I also have extensive knowledge of the health and drug industry: before beginning my second career in government, I spent more than 30 years specializing in healthcare finance, including a stint as founder and C.E.O. of a major mail service pharmaceutical company.

During my first year as comptroller, congress was debating an expansion of the Medicare program to include a prescription drug benefit. We investigated the possible impact of such a federal program on the drug benefits Nassau County provides to thousands of its own active and retired workers.

We concluded that Nassau County would not receive any benefit from the federal program. But we also took a look at the drug discount card that Medicare would be offering thru December 31, 2005.

Discount cards are not new, they have been around for quite some time. They work! The challenge has always been getting them into the hands of the people who can benefit from them, and making them easy to use.

In thinking about drug benefits, I realized that, just as insurance companies get lower drug prices, it might be possible to harness the group purchasing power of Nassau's 1.3 million residents to offer a county prescription drug discount card to every Nassau resident who wants one – and not just for seniors, as in the federal

program. I also had a hunch that such a program could be done at no cost to the county and with no fee to residents.

We launched the NassauRx discount card in July 2004. We were proud to be the first county in the nation to offer this type of benefit – a free prescription drug discount card, accepted at more than 90 percent of local pharmacies and 80% nationally, and available to all residents, regardless of age, income, or existing health coverage.

The NassauRx program works for a few simple reasons:

- It's free;
- There are no eligibility requirements;
- There are no forms to fill out;
- It covers almost all prescription drugs;

To ensure that the program would get off to a running start, we put half-a-million discount cards in residents' hands. We did this by requiring the program administrator to mail the cards, at no cost to the county, to 500,000 households in Nassau, using the largest database we could find, the voter registration rolls. In addition, we used public media and transportation outlets and social service agencies to extend our outreach.

It's no wonder the program took off. In its first four months, Nassau residents filled more than 64,000 prescriptions using the NassauRx card, saving

more than \$1.1 million dollars off retail prices. The average savings using the card was 24 percent, or an average of \$17 per prescription, with many drugs available at savings up to 40 percent off the usual retail price.

As a result of the NassauRx program, no resident of Nassau County ever has to pay retail prices for prescription drugs.

By contrast the Bush administration's Medicare discount card program, which has reportedly cost the federal government billions, and usually charges an annual fee to card holders, has had little acceptance among seniors.

In terms of nuts and bolts of the program, here's how it works:

- We carefully constructed a request for proposals and received proposals from a number of top pharmacy benefit management firms (PBM's).
- The RFP required that proposers have a pre-existing network of pharmacies in the metropolitan area that accept their cards.
- We whittled the pool down to five proposals, ultimately choosing AdvancePCS, now part of the Caremark company, to administer the program.
- Caremark receives no fees from the county.
- The discount card is provided free to our residents, and Caremark must allow any pharmacy in the county to participate.
- Caremark collects a fee from the pharmacy for every prescription filled.

I want to acknowledge the crucial contribution of our local pharmacies in making this program work. Pharmacists are not the cause of high drug prices; they are being squeezed by the drug companies, just as consumers are. Pharmacies provide the discounts under this program, reducing their own profits. They deserve credit for their participation.

However, it is also true that pharmacies expect the people who can least afford those high drug prices to pay the full retail price, while giving large discounts to insurance companies. I'm talking about the low-income workers, those who are unemployed or underinsured, the disabled and retired who are living on a fixed income – these are the people who pay the highest prices for drugs.

The NassauRx card levels the playing field by giving the uninsured, and under-insured, access to prices that are closer to what the insurance companies pay. The pharmacy business model should never force the uninsured to cover losses caused by the discounts given to the insurance companies.

Since we began this program, it has received national attention and become a model for similar programs in other counties. Just last month, Rockland county launched a program modeled on NassauRx – they call it RocklandRx. The previous month, Montgomery County, Maryland, did the same. Westchester has remodeled its program based upon NassauRx. We have fielded calls from other counties around the state and country, including Tompkins, Monroe and Orange

counties in New York, as well as counties in Texas, Arizona, Connecticut and California.

I am confident that New York City can provide this type of benefit to its millions of residents as well.

I would be happy to take any questions you may have.

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